

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting
(Proposal Two)

Docket No. RM2018-5

CHAIRMAN'S INFORMATION REQUEST NO. 3
AND NOTICE OF FILING UNDER SEAL

(Issued July 16, 2018)

To clarify the Postal Service's petition to consider changes in analytical principles (Proposal Two), filed May 25, 2018,¹ the Postal Service is asked to provide a written response to the following questions and requests for information. Answers to each question and the requested information should be provided as soon as they are developed, but no later than July 23, 2018.

1. The Postal Service states that "[b]efore the test begins, the data collector identifies all carriers who will be working and assigned to the tested zone for any part of the morning." Petition, Proposal Two at 20.
 - a. Please describe the data source and how "assigned to the tested zone" is determined.
 - b. Are all newly hired full-time and part-time carriers assigned to a zone and included on the data collector's list? If not, please describe the

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Two), May 25, 2018 (Petition). The Postal Service filed a public and non-public annex with the Petition. See Notice of Filing of USPS-RM2018-5/1 and USPS-RM2018-5/NP1 and Application for Nonpublic Treatment, May 25, 2018; Notice of Filing of Replacement Version of USPS-RM2018-5/1 -- Errata, June 8, 2018; Notice of Filing of Replacement Version of USPS-RM2018-5/NP1 -- Errata, June 11, 2018.

circumstances by craft group, when a newly hired carrier would not be assigned to a zone and not included on the data collector's list.

- c. If applicable, please describe any other circumstances when a carrier would not be assigned to a zone and not included on the data collector's list.
2. The Postal Service states that "[i]n morning tests, a maximum of six carriers would be subsampled to represent the zone, rather than all carriers" and intends to "post-stratify readings by route group . . . and craft group (full-time; part-time / transitional)." Petition, Proposal Two at 3, 4.
 - a. Please describe how the six carriers would be identified and selected when a zone has more full-time than part-time carriers.
 - b. Please describe how the six carriers would be identified and selected when a zone has more part-time than full-time carriers.
3. The Postal Service states that "it is recommended not to sample the same individual too frequently, as they may mistake data collection related to IOCS for a type of personal performance monitoring. Therefore, in general, we avoid conducting more than one reading on the same employee within a 30 minute period."² For the morning tests, generally, it appears that often the same six carriers were each sampled six times (once every half hour over a three-hour time frame).³ Please discuss the reason(s) why the same six carriers are sampled each half hour rather than sampling another group of six carriers in the subsequent half hour time blocks.

² Responses of the United States Postal Service to Questions 1-19 of Chairman's Information Request No.1, June 29, 2018, question 12 (Responses to CHIR No. 1).

³ Commission review of SAS datasets, see also Library Reference USPS-RM2018-5/2, June 29, 2018, folder "RM2018-5.2.Public.zip," folder "Prop2.CHIR1.Q15.Public.zip," folder "Prop2.CHIR1.Q15.Public," PDF file "SP Letter #3 FY2017_R.pdf," at 4, which states "[o]nce you begin taking readings, you will not be able to change the list of six employees to sample."

4. In its Informal Response to the Public Representative, the Postal Service “[g]enerally confirmed” that the number of carriers working in a zone in the morning is proportional (or nearly proportional) to the number of routes in a zone.⁴ Informal Response to the PR, question 1.b. Please refer to the table below provided in Docket No. ACR2017, Responses to CHIR No. 21.⁵ Please describe for each city carrier craft and CAG group, how the number of carriers working in a zone in the morning is proportional to the number of city carriers in each city carrier craft and CAG group.

CAG	# of offices (universe)	# of offices with >0 sampleable employee[s]	# of Timecard offices (no TACS data)	# of Full Time city carriers, all offices	# of Part Time city carriers, all offices	# of Full Time city carriers in Timecard offices	# of Part Time city carriers in Timecard offices
A	2,815	2,100	720	46,113	10,921	3	0
B	1,194	1,106	103	27,047	6,432	0	0
C	1,537	1,463	99	41,227	9,556	1	0
D	878	857	57	18,873	4,537	1	0
E	1,641	1,625	68	20,512	5,410	6	6
F	2,215	2,207	252	9,040	3,276	54	42
G	3,205	3,191	1,035	3,065	2,046	147	140
H	3,903	3,885	2,321	630	744	82	112
J	4,832	4,805	3,132	60	100	11	23
K	8,988	8,578	6,452	2	7	0	1
L	3,974	1,460	3,785	0	0	0	0
Total	35,182	31,277	18,024	166,569	43,029	305	324
Source: Docket No. ACR2017, Responses to CHIR No. 21, question 14.							

⁴ Informal Response of the United States Postal Service to Question Posed by the Public Representative, July 9, 2018 (Informal Response to the PR).

⁵ See Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-16 of Chairman’s Information Request No. 21, March 5, 2018, question 14 (Docket No. ACR2017, Responses to CHIR No. 21).

5. In the current IOCS methodology, the Postal Service states that afternoon readings are sufficient to estimate costs by CAG, route type and craft subgroup. Responses to CHIR No. 1, question 5.b.
- a. Are there a sufficient number of afternoon readings under the Proposal Two methodology to reliably estimate costs by craft subgroup and route type? If so, please describe any analysis supporting the response. If not, please discuss the reason(s) why.
 - b. Are there a sufficient number of afternoon readings under the Proposal Two methodology to reliably estimate costs by craft subgroup and route group? If so, please describe any analysis supporting the response. If not, please discuss the reason(s) why.
6. The Postal Service states that the “[i]nstructions for IOCS-Cluster data collectors are provided in folder USPS-RM2018-/2.” *Id.*, question 15. However, it appears that it provided Statistical Programs policy memos describing updates and changes.⁶
- a. Other than the updates and changes described in the Statistical Programs policy memos provided in Library Reference USPS-RM2018-5/2 and in the Petition, are the other data collector instructional materials and updates provided in Docket No. RM2016-11 still applicable under the Proposal Two methodology?⁷ If not, please describe which sections of those data collector instructional materials provided in Docket No. RM2016-11 are not applicable.

⁶ See Library Reference USPS-RM2018-5/2, folder “RM2018-5.2.Public.zip,” folder “Prop2.CHIR1.Q15.Public.zip,” folder “Prop2.CHIR1.Q15.Public,” PDF files “SP Letter #3 FY2017_R.pdf;” “SP Letter #1, FY2018_R.pdf.”

⁷ Petition, Proposal Two at 2-3; see Docket No. RM2016-11/2, Public Material Filed in Response to Chairman’s Information Request No. 1 (Questions 1, 3, 4, 5, 7, 8, 13, 18a,b), September 16, 2016, folder “USPS-RM2016-11/2,” folder “CHIRQ04” (Docket No. RM2016-11/2, Response to CHIR No. 1).

- b. In Docket RM2016-11/2, the data collectors' guidance to perform afternoon telephone tests was: "[i]f the carrier's supervisor cannot be reached, or is not available within 3 minutes, select the No Respondent Available button" (emphasis omitted).⁸ Is this guidance still applicable under Proposal Two? If so, please discuss whether increasing this time would or would not impact the number of afternoon telephone readings completed.
- 7. The Postal Service states that "[t]he little time spent in the office [in the afternoon] is mostly for street support activities." Petition, Proposal Two at 11. Please describe all city carrier activities in the afternoon.
- 8. Please refer to Table 1: Proposed Sample Sizes and Projected Number of Non-Stop Readings. Petition, Proposal Two at 8.
 - a. Please provide the proposed number of tests per year by carrier craft and CAG groups for each row in Table 1.
 - b. Please specify when morning readings start for both types of morning readings.
- 9. Please refer to Table 3: IOCS-Cluster Impact on Costs by Tally Category. Petition, Proposal Two at 13.
 - a. Please discuss the reason(s) for the decrease in mixed mail costs.
 - b. Please discuss the reason(s) for the decrease in support/administrative costs.
 - c. Please discuss the reason(s) for the decrease in training costs.
 - d. To what extent is, the decrease in mixed mail, support/administrative and training costs due to the lower number of both city carrier craft groups

⁸ Docket No. RM2016-11/2 Response to CHIR No.1, folder "USPS-RM2016-11/2," folder "CHIRQ04," PDF file "SP Letter #2 FY2016_110515_Final.

sampled and the lower number of offices sampled? Please provide any analysis supporting the response.

10. The workbooks showing the impact of Proposal Two contain a note stating “[c]osts for carriers on Sunday, including carriers acting as supervisors, attributed 100% to Parcel Select.”⁹
 - a. Please describe under what circumstances in the current IOCS methodology a supervisor reading would be conducted if a “carrier is acting as a supervisor.”
 - b. Please describe under what circumstances in the current IOCS methodology a carrier reading would be conducted if a “carrier is acting as a supervisor.”
 - c. Please see Attachment, filed under seal.
 - d. Please see Attachment, filed under seal.
11. The Postal Service states that the “petition shows the effects of attributing all Sunday/Holiday costs to [the Parcel Select product] for purposes of evaluating and presenting the estimated impact on FY2017 costs.” Petition, Proposal Two at 9.
 - a. Please see Attachment, filed under seal.
 - b. Please see Attachment, filed under seal.

By the Chairman.

Robert G. Taub

⁹ See Library Reference USPS-RM2018-5/2, folder “RM2018-5.2.Public.zip,” folder “Public Workbooks_ChIR1.zip,” folder “PublicWorkbooks_ChIR1,” Excel file “Prop2.ChIR1.Q8.Cluster Impac.Public.xlsx,” cell A51.